

Old Age, Disability, Death

First and current law: 1976.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 0.30 dinar.

Coverage

Employed persons, including Kuwaiti nationals working abroad.

Special systems for self-employed persons and for military personnel.

Note: Prior to 1986, coverage for the self-employed was voluntary. The program has since become compulsory, with a *buy-in* option to cover prior periods.

Source of Funds

Insured person: 5% of earnings.

Employer: 10% of payroll.

Government: Annual subsidy equal to 10% of payroll.

Maximum earnings for contribution and benefit purposes: 1,250 dinars a month. Minimum, 230 dinars a month. (Not applicable to civil servants).

Qualifying Conditions

Old-age pension: Age 50 and 15 years of contributions; 20 years of contributions if claimed before age 50.

Retirement necessary, except full pension may be paid in some employment situations if age 50 or above.

If under age 50, pension reduced by 1/4 of excess of salary plus pension above 1,250 dinars a month.

Disability pension: Total incapacity for work.

Survivor pension: Deceased met insurance requirements or was pensioner at death.

Old-Age Benefits

Old-age pension: 65% of last monthly earnings plus 2% of last monthly earnings for each year of contribution beyond 15 years. Maximum benefit: 95% of last monthly earnings. Part of pension may be paid as a lump sum at pensioner's request before age 65. Transitional benefit paid to persons with less than 15 years' coverage.

Permanent Disability Benefits

Disability pension: 65% of last monthly earnings plus 2% of last monthly earnings for each year of contribution beyond 15 years. Maximum benefit: 95% of earnings.

Survivor Benefits

Survivor pension: From 33-1/3% to 100% of deceased's earnings according to number of widows, children, parents, brothers, sisters, and sons' children. Pension divided according to schedule.

Also payable to dependent widowers.

Children must be under age 26 (28 if student, no limit for unmarried females and disabled males).

Minimum monthly benefit: widow or widower, 150 dinars; parent, 120 dinars; other beneficiaries, 77 dinars a month.

Funeral grant: 2 months' earnings or 2 months' pension of insured. Minimum, 100 dinars.

Administrative Organization

Ministry of Finance, general supervision.

Public Institution for Social Security, administration of program.

Managed by board of directors.

Sickness and Maternity

Free medical services available to all residents.

Work Injury

First and current law: 1976.

Type of program: Social insurance system
(Program not yet implemented.)

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